

THE OFFICE OF REGULATORY STAFF
DIRECT TESTIMONY & EXHIBITS
OF
ANTHONY D. BRISENO

MAY 22, 2018



DOCKET NO. 2018-1-E

**ANNUAL REVIEW OF BASE RATES
FOR FUEL COSTS OF
DUKE ENERGY PROGRESS, LLC.**

DIRECT TESTIMONY AND EXHIBITS OF
ANTHONY D. BRISENO
ON BEHALF OF
THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF
DOCKET NO. 2018-1-E
IN RE: ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS OF
DUKE ENERGY PROGRESS, LLC

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.

A. My name is Anthony Briseno. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the South Carolina Office of Regulatory Staff ("ORS") as an Auditor.

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I received my Bachelor of Science in Business Administration in Accounting from Coastal Carolina University in August 2014. I received my Master of Accountancy Degree from Coastal Carolina University in August 2015. I also received a Graduate Certificate for completion of the Fraud Examination Program at Coastal Carolina University in August 2015. I began my employment as an auditor with ORS in October 2016 and have participated in various cases involving the regulation of electric, water and wastewater utilities.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA ("COMMISSION")?

A. No. I have not previously testified before the Commission.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

2 **A.** The purpose of my testimony is to present the results of ORS Audit Staff's
3 examination of the books and records pertaining to Duke Energy Progress, LLC's ("DEP"
4 or "Company") operations under the Fuel Adjustment Clause ("FAC"). The current fuel
5 examination covered the actual period of March 2017 through February 2018 ("actual
6 review period") and four (4) estimated months from March 2018 through June 2018
7 ("estimated review period").

8 **Q. WHAT WAS THE PURPOSE OF THIS EXAMINATION?**

9 **A.** The purpose of this examination was to determine if the Company's accounting
10 practices in computing and applying the monthly FAC complied with S.C. Code Ann. §
11 58-27-865.

12 **Q. WHAT WAS THE SCOPE OF ORS'S EXAMINATION?**

13 **A.** ORS Audit Staff examined and verified the monthly fuel adjustment factor
14 calculations and the fuel recovery balances recorded in the Company's books and records.
15 ORS Audit Staff's examination consisted of the following:

16 1. Analyzing the Fuel Stock Account

17 ORS Audit Staff's analysis of the fuel stock account consisted of verifying receipts to
18 and issuances from the fuel management system to the general ledger, examining
19 monthly fuel charges originating in the fuel stock account, and ensuring that only
20 proper charges were entered in the Company's computation of fuel costs for purposes
21 of adjusting the base fuel factor.

22 2. Sampling Receipts to the Fuel Stock Account

1 ORS Audit Staff's review of receipts to the fuel stock account consisted of examining
2 and testing transactions that support additions to the account. Each selected transaction
3 examined was tested for mathematical accuracy and vouched to a commodity received
4 report, corresponding waybill or truck bill, supplier invoice, base cost report, freight
5 invoice, and transportation cost report. Transactions were then verified to a fuel
6 management system payment voucher to verify payment of the correct amount to the
7 vendors.

8 3. Verifying Charges to Nuclear Fuel Expenses

9 ORS Audit Staff verified the amounts of nuclear fuel expense to the books and records
10 for the actual review period. Additionally, the accuracy of these amounts was verified
11 to the Company's amortization schedules.

12 4. Verifying Purchased and Interchange Power Fuel Cost

13 ORS Audit Staff verified the Company's purchased and interchange power fuel cost,
14 kilowatt-hour ("kWh") purchases, and kWh sales for the actual review period to the
15 Company's "Intersystem Purchase and Sales Transaction" reports and monthly
16 invoices, on a sample basis. This verification included intercompany power
17 transactions related to the joint dispatch agreement between the Company and Duke
18 Energy Carolinas, LLC. ORS recomputed the Company's sales and purchases for the
19 actual review period. The purchased and interchange power amounts for the actual
20 review period and the resultant (over)/under-recovery monthly deferred fuel amounts
21 for the period reflect calculations that conform to S.C. Code Ann. § 58-27-865, the
22 statute addressing fuel costs related to purchased power. Subsection (A)(2)(b) of this
23 statute states that the total delivered cost of economy purchases, including, but not

limited to, transmission charges, are included in purchased power costs if those purchases are “less than the purchasing utility’s avoided variable costs for the generation of an equivalent quantity of electric power.” ORS verified that the economic purchases were recorded at, or less than, the company’s applicable avoided costs.

5. Verifying kWh Sales

ORS Audit Staff verified total system kWh sales, as filed in the monthly fuel factor computation, to monthly billed revenue reports for the actual review period. The monthly kWh sales figures were then used to determine the fuel cost per kWh.

6. Recalculating the Fuel Adjustment Factors and Verifying the Deferred Fuel Costs

ORS Audit Staff recalculated the fuel costs for the actual review period utilizing information obtained from the Company’s records and verified these costs to the Company’s books and records. In recalculating the monthly fuel costs, ORS divided adjusted system fuel costs by adjusted system kWh sales to arrive at fuel costs per kWh sold. The fuel costs billed per kWh sold were then subtracted from the actual fuel cost per kWh sold to compute the deferred fuel cost. The actual deferred fuel costs for each month were then verified to the Company’s books and records.

7. Recalculating the True-up for the (Over)/Under-Recovered Fuel Costs

ORS Audit Staff analyzed and recomputed the cumulative (over)/under-recovery of the base fuel, environmental, capacity, Distributed Energy Resource Program (“DERP”) incremental, and DERP avoided costs for the actual review period and the cumulative (over)/under-recovery for the estimated review period.

Q. PLEASE EXPLAIN THE AUDIT EXHIBITS ATTACHED TO YOUR TESTIMONY.

A. ORS Audit Staff prepared the following audit exhibits from the Company's books and records:

AUDIT EXHIBIT ADB-1: TOTAL RECEIVED AND WEIGHTED AVERAGE FUEL COST

This audit exhibit details total received cost for the actual review period of \$1,137,491,356 for coal, #2 oil, and natural gas. ORS has also computed the weighted average cost of each type of fuel: coal (\$80.89 per ton), #2 oil (\$2.33 per gallon), and natural gas (\$4.86 per thousand cubic feet ("MCF")).

AUDIT EXHIBIT ADB-2: RECEIVED COAL - COST PER TON COMPARISON

This audit exhibit details the received cost per ton of coal for each month of the actual review period for DEP, South Carolina Electric & Gas Company, and Duke Energy Carolinas, LLC. For comparison purposes, ORS has shown the invoice cost per ton, freight cost per ton, total cost per ton, and the cost per thousand British thermal units ("MBTU").

AUDIT EXHIBIT ADB-3: BURNED COST - CONSUMED GENERATION

This audit exhibit details the per book cost of fuel burned for electric generation during the actual review period. The burned cost of each class of fuel is shown separately along with its percentage of total burned costs. These costs are used in the computations of the base fuel cost component.

AUDIT EXHIBIT ADB-4: COST OF FUEL

This audit exhibit details ORS's computation of the total fuel cost applicable to the fuel recovery calculation. There are three (3) components included in this cost and they are as follows:

(1) Cost of Fuel Burned

1 (2) Fuel Cost of Purchased and Interchange Power

2 (3) Fuel Cost Recovered from Intersystem Sales

3 Cost of Fuel Burned – This amount is the total cost of all fossil and nuclear fuel burned
4 during the actual review period and used in the base fuel component computation. A
5 detailed breakdown of coal, #2 oil, natural gas, and nuclear fuel can be seen in Audit
6 Exhibit ADB-3.

7 Fuel Cost of Purchased and Interchange Power – This amount is the fuel cost of monthly
8 kWh purchases from other electric utilities or power marketers.

9 Fuel Cost Recovered from Intersystem Sales – This amount is the total fuel cost recovery
10 related to kWhs sold during the period to other electric utilities or power marketers.

11 **AUDIT EXHIBIT ADB-5: DETAILS OF THE COMPUTATION OF THE**
12 **(OVER)/UNDER-RECOVERY OF BASE FUEL**

13 This audit exhibit details the (over)/under-recovery of base fuel cost computations by
14 month for the actual and estimated review periods. This audit exhibit also shows the
15 computations of the actual and estimated cumulative (over)/under-recovery balances and
16 various adjustments for March 2017 through June 2018.

17 **AUDIT EXHIBIT ADB-6: TOTAL ENVIRONMENTAL COSTS**

18 This audit exhibit details the total environmental costs for the actual review period for
19 magnesium hydroxide and calcium carbonate, emission allowances, ammonia and urea,
20 lime/limestone, and MerControl 8034 Plus. Additionally, the percentage of total cost is
21 shown for each environmental component.

22 **AUDIT EXHIBIT ADB-7: DETAILS OF THE COMPUTATION OF THE**
23 **(OVER)/UNDER-RECOVERY OF ENVIRONMENTAL COSTS**

1 This audit exhibit details the (over)/under-recovery of environmental cost computations by
2 month for the actual and estimated review periods for total reagent costs, emission
3 allowances, and off-system sales. This audit exhibit also shows the computation of the
4 cumulative (over)/under-recovery of environmental costs for March 2017 through June
5 2018.

6 **AUDIT EXHIBIT ADB-8: DETAILS OF THE COMPUTATION OF THE**
7 **(OVER)/UNDER-RECOVERY OF CAPACITY COSTS**

8 This audit exhibit details the (over)/under-recovery of PURPA purchased power avoided
9 capacity costs and natural gas capacity costs by month for the actual and estimated review
10 periods. Due to the enactment of Act 236, effective June 2014, the avoided capacity
11 component of PURPA purchased power costs and the natural gas capacity costs are now
12 allocated and recovered as a separate component of the overall fuel factor in the same
13 manner as environmental costs. This audit exhibit also shows the computation of the
14 cumulative (over)/under-recovery of capacity costs for March 2017 through June 2018.

15 **AUDIT EXHIBIT ADB-9: DETAILS OF THE COMPUTATION OF THE**
16 **(OVER)/UNDER-RECOVERY OF DERP INCREMENTAL COSTS**

17 This audit exhibit details the (over)/under-recovery of DERP incremental costs by month
18 for the actual and estimated review periods. This audit exhibit also shows the computation
19 of the cumulative (over)/under-recovery of DERP incremental costs for March 2017
20 through June 2018. DERP incremental costs are further explained in the testimony of ORS
21 witness Johnson.

**AUDIT EXHIBIT ADB-10: DETAILS OF THE COMPUTATION OF THE
(OVER)/UNDER-RECOVERY OF DERP AVOIDED COSTS**

This audit exhibit details the (over)/under-recovery of DERP avoided costs computations by month for the actual and estimated review periods. This audit exhibit also shows the computations of the cumulative (over)/under-recovery of DERP avoided costs for March 2017 through June 2018. DERP avoided costs are further explained in the testimony of ORS witness Johnson.

**Q. PLEASE EXPLAIN ORS AUDIT STAFF'S COMPUTATION OF THE
CUMULATIVE (OVER)/UNDER-RECOVERY OF BASE FUEL COSTS IN AUDIT
EXHIBIT ADB-5.**

A. ORS Audit Exhibit ADB-5 provides details of ORS's calculation of the actual cumulative under-recovery balance through February 2018 of \$23,394,223, and the estimated cumulative under-recovery balance through June 2018 of \$22,548,514. Company witness Ward's testimony (Exhibit 2) in this docket reports a cumulative under-recovery total through February 2018 of \$23,394,223 and the estimated cumulative under-recovery balance through June 2018 of \$22,548,512. The difference between ORS's and the Company's cumulative under-recovery balance through June 2018 is due to rounding.

**Q. DID THE COMPANY MAKE ANY ADJUSTMENTS OR TRUE-UPS DURING
EITHER THE ACTUAL OR THE ESTIMATED REVIEW PERIODS FOR THE
BASE FUEL COMPONENT?**

A. Yes. The Company made the following adjustments as shown on Audit Exhibit ADB-5:

Adjustment (A) – Avoided Cost and Net Energy Metering (“NEM”) True-up

1 In February 2018, the Company made an over-recovery adjustment of \$45 to account for
2 the annual avoided cost true-up of economic power purchases for the actual period. The
3 company also made an under-recovery adjustment of \$2,398 for the true-up related to
4 NEM. The NEM true-up adjustment is explained further in the testimony of ORS witness
5 Johnson. The total of the adjustment in February 2018 is an under-recovery adjustment in
6 the amount of \$2,353.

7 **Q. PLEASE EXPLAIN ORS AUDIT STAFF'S COMPUTATION OF THE**
8 **CUMULATIVE (OVER)/UNDER-RECOVERY OF ENVIRONMENTAL COSTS**
9 **IN AUDIT EXHIBIT ADB-7.**

10 **A.** ORS Audit Exhibit ADB-7 provides details of ORS's calculation of the actual
11 cumulative over-recovery balance through February 2018 of \$616,503, and the estimated
12 cumulative over-recovery balance through June 2018 of \$775,308. Company witness
13 Ward's testimony (Exhibit 4, pages 1 through 3) in this docket reports a cumulative
14 environmental cost over-recovery balance through February 2018 of \$616,504 and the
15 estimated cumulative over-recovery balance through June 2018 of \$775,310. The
16 differences between ORS's and the Company's cumulative over-recovery balances are due
17 to rounding.

18 **Q. PLEASE EXPLAIN ORS AUDIT STAFF'S COMPUTATION OF THE**
19 **CUMULATIVE (OVER)/UNDER-RECOVERY OF CAPACITY COSTS IN AUDIT**
20 **EXHIBIT ADB-8.**

21 **A.** ORS Audit Exhibit ADB-8 provides details of ORS's calculation of the actual
22 cumulative capacity cost under-recovery balance through February 2018 of \$1,622,069,
23 and the estimated cumulative under-recovery balance through June 2018 of \$2,321,255.

Company witness Ward's testimony (Exhibit 7, pages 1 through 3) reports a cumulative under-recovery balance through February 2018 of \$1,622,067 and the estimated cumulative under-recovery balance through June 2018 of \$2,321,252. The differences between ORS's and the Company's cumulative under-recovery balances are due to rounding.

Q. PLEASE EXPLAIN ORS AUDIT STAFF'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF DERP INCREMENTAL COSTS IN AUDIT EXHIBIT ADB-9.

A. ORS Audit Exhibit ADB-9 provides details of ORS's calculation of the actual cumulative DERP incremental cost over-recovery balance through February 2018 of \$448,553, and the estimated cumulative over-recovery balance through June 2018 of \$744,006. Company witness Ward's testimony (Exhibit 9) reports a cumulative over-recovery balance through February 2018 of \$448,552 and the estimated cumulative over-recovery balance through June 2018 of \$744,005. The differences between ORS's and the Company's cumulative over-recovery balances are due to rounding.

Q. DID THE COMPANY MAKE ANY ADJUSTMENTS OR TRUE-UPS DURING EITHER THE ACTUAL OR THE ESTIMATED REVIEW PERIODS FOR THE DERP INCREMENTAL COSTS (OVER)/UNDER-RECOVERY?

A. Yes. The Company made the following adjustment as shown on Audit Exhibit ADB-9:

Adjustment (B) – Rebate Return Calculation

In January 2018, the company made an under-recovery adjustment of \$1,131. The adjustment was due to the effective tax rate applied to the rebate return calculation, which

changed January 1, 2018 when the "Tax Cuts and Jobs Act" took effect. The composite tax rate used in the calculation changed from 38.25% to 24.95%.

Adjustment (C) – NEM Costs and Rebate Return Calculation

In February 2018, the Company made an under-recovery adjustment of \$72,676 to account for errors found in their monthly NEM cost calculations throughout the review period. This adjustment is explained further in the testimony of ORS witness Johnson. Additionally, in February 2018, the company made an under-recovery adjustment of \$2,008. The adjustment was due to the effective tax rate applied to the rebate return calculation, which changed January 1, 2018 when the "Tax Cuts and Jobs Act" took effect. The composite tax rate used in the calculation changed from 38.25% to 24.95%. The total of the adjustment in February 2018 is an under-recovery adjustment in the amount of \$74,684.

Q. PLEASE EXPLAIN ORS AUDIT STAFF'S COMPUATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF DERP AVOIDED COSTS IN AUDIT EXHIBIT ADB-10.

A. ORS Audit Exhibit ADB-10 provides details of the ORS's calculation of the actual cumulative DERP avoided cost under-recovery balance through February 2018 of \$2,715, and the estimated cumulative under-recovery balance through June 2018 of \$25,676. Company witness Ward's testimony (Exhibit 13, pages 1 through 4) reports a cumulative under-recovery balance through February 2018 of \$2,714 and the estimated cumulative under-recovery balance through June 2018 of \$25,675. The differences between ORS's and the Company's cumulative under-recovery balances are due to rounding.

Q. WHAT IS THE RESULT OF ORS'S EXAMINATION?

1 **A.** Based on ORS's examination of the Company's books and records, and the
2 Company's operations under the fuel cost recovery mechanism, ORS determined the
3 Company's accounting practices are in compliance with S.C. Code Ann. § 58-27-865.

4 Based on ORS's examination, ORS agrees with the following (over)/under-recovery
5 balances as stated by DEP:

- 6 • February 2018 base fuel cost under-recovery balance of \$23,394,223;
- 7 • February 2018 environmental cost component over-recovery of \$616,504;
- 8 • February 2018 capacity cost component under-recovery balance of \$1,622,067;
- 9 • February 2018 DERP incremental over-recovery balance of \$448,552;
- 10 • February 2018 DERP avoided cost under-recovery balance of \$2,714;
- 11 • June 2018 estimated base fuel cost under-recovery balance of \$22,548,512;
- 12 • June 2018 estimated environmental cost component over-recovery balance of
13 \$775,310;
- 14 • June 2018 estimated capacity cost component under-recovery balance of
15 \$2,321,252
- 16 • June 2018 estimated DERP incremental cost over-recovery balance of \$744,005;
- 17 • June 2018 estimated DERP avoided cost under-recovery balance of \$25,675.

18 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

19 **A.** Yes, it does.

Office of Regulatory Staff
Total Received and Weighted Average Fuel Cost
Duke Energy Progress, LLC
For Year Ending February 2018
Docket No. 2018-1-E

<u>Month</u>	<u>Coal</u>	<u>#2 Oil</u>		<u>Natural Gas</u>		<u>Total Received</u>
	<u>Tons</u>	<u>\$</u>	<u>Gal</u>	<u>\$</u>	<u>MCF</u>	<u>Cost</u>
Mar-17	205,304	16,557,756	496,319	1,010,869	14,415,347	\$ 77,485,167
Apr-17	223,875	18,508,082	719,497	1,253,369	10,719,239	68,878,473
May-17	224,952	18,473,722	674,110	1,162,277	11,101,055	67,534,660
Jun-17	251,119	20,570,373	431,699	764,394	13,003,215	76,199,290
Jul-17	320,213	25,091,089	305,136	517,159	15,201,388	86,557,508
Aug-17	430,436	34,568,615	245,467	481,653	14,627,525	93,971,739
Sep-17	346,651	27,720,450	89,643	181,907	13,396,655	82,547,672
Oct-17	325,000	26,513,381	801,888	1,513,515	12,218,136	78,938,484
Nov-17	324,889	25,565,661	1,333,868	2,605,813	14,076,145	86,607,178
Dec-17	229,150	18,867,887	855,846	1,639,336	16,383,744	98,352,340
Jan-18	212,233	17,669,477	26,962,879	65,406,323	14,039,283	233,836,919
Feb-18	235,368	19,193,413	556,188	1,590,643	13,397,043	86,581,926
Total	3,329,190	\$ 269,299,906	33,472,540	\$ 78,127,258	162,578,775	\$ 1,137,491,356

Weighted Average Cost \$ 80.89 \$ 2.33 \$ 4.86

Office of Regulatory Staff
Received Coal - Cost Per Ton Comparison
Duke Energy Progress, LLC
For Year Ending February 2018
Docket No. 2018-1-E

Duke Energy Progress, LLC					South Carolina Electric & Gas Company ¹					Duke Energy Carolinas, LLC ¹				
Month	Invoice Cost Per Ton	Freight Cost Per Ton	Total Cost Per Ton	Cost Per MBTU	Invoice Cost Per Ton	Freight Cost Per Ton	Total Cost Per Ton	Cost Per MBTU		Invoice Cost Per Ton	Freight Cost Per Ton	Total Cost Per Ton	Cost Per MBTU	
Mar-17	47.56	33.10	80.66	3.19	54.73	27.65	82.38	3.23		45.78	30.15	75.93	3.08	
Apr-17	48.24	35.08	83.32	3.32	54.98	26.82	81.80	3.21		46.53	28.40	74.93	3.01	
May-17	49.24	32.91	82.15	3.28	55.37	27.29	82.66	3.25		45.95	28.11	74.06	3.01	
Jun-17	49.79	32.16	81.95	3.21	54.08	25.87	79.95	3.14		47.14	30.44	77.58	3.12	
Jul-17	48.23	30.13	78.36	3.11	53.87	27.03	80.90	3.18		46.81	27.05	73.86	2.98	
Aug-17	48.90	31.41	80.31	3.13	53.63	27.14	80.77	3.18		46.04	26.85	72.89	2.93	
Sep-17	48.47	31.50	79.97	3.13	54.64	30.70	85.34	3.35		46.35	27.59	73.94	2.96	
Oct-17	48.81	32.77	81.58	3.21	54.95	28.31	83.26	3.29		45.76	28.90	74.66	3.04	
Nov-17	48.40	30.29	78.69	3.11	55.31	30.31	85.62	3.39		47.00	27.68	74.68	3.08	
Dec-17	43.45	30.80	74.25	2.92	54.89	29.69	84.58	3.32		47.97	29.04	77.01	3.13	
Jan-18	50.93	32.32	83.25	3.31	55.81	30.41	86.22	3.39		46.67	27.11	73.78	3.11	
Feb-18	46.16	32.56	78.72	3.10	57.57	30.94	88.51	3.51		47.35	26.22	73.57	3.03	

¹ Cost information for South Carolina Electric & Gas Company and Duke Energy Carolinas, LLC has not been audited as part of this docket.

Office of Regulatory Staff
Burned Cost - Consumed Generation
Duke Energy Progress, LLC
For Year Ending February 2018
Docket No. 2018-1-E

<u>Month</u>	<u>Coal</u>	<u>#2 Oil</u>	<u>Natural Gas</u>		<u>Nuclear</u>	<u>Total Burned Cost</u>		
Mar-17	\$ 22,256,568	23.45%	\$ 1,255,634	1.32%	\$ 59,916,542	63.13%	\$ 11,488,530	\$ 94,917,274
Apr-17	\$ 14,611,913	18.69%	\$ 1,115,677	1.43%	\$ 49,117,022	62.80%	\$ 13,356,563	\$ 78,201,175
May-17	\$ 11,578,670	14.74%	\$ 897,426	1.14%	\$ 47,898,661	60.98%	\$ 18,174,539	\$ 78,549,296
Jun-17	\$ 30,947,065	29.56%	\$ 1,208,975	1.16%	\$ 54,864,523	52.42%	\$ 17,642,650	\$ 104,663,213
Jul-17	\$ 49,914,054	42.17%	\$ 685,607	0.58%	\$ 49,419,192	41.75%	\$ 18,347,834	\$ 118,366,687
Aug-17	\$ 43,559,867	39.77%	\$ 647,351	0.59%	\$ 47,040,674	42.95%	\$ 18,279,977	\$ 109,527,869
Sep-17	\$ 25,453,397	29.26%	\$ 781,888	0.90%	\$ 43,118,814	49.58%	\$ 17,617,449	\$ 86,971,548
Oct-17	\$ 15,598,336	20.85%	\$ 2,272,674	3.04%	\$ 39,542,754	52.87%	\$ 17,381,350	\$ 74,795,114
Nov-17	\$ 14,268,396	17.47%	\$ 2,430,653	2.98%	\$ 47,312,007	57.94%	\$ 17,647,588	\$ 81,658,644
Dec-17	\$ 31,253,507	26.22%	\$ 3,848,609	3.23%	\$ 65,949,360	55.33%	\$ 18,131,180	\$ 119,182,656
Jan-18	\$ 46,430,217	17.59%	\$ 61,071,971	23.13%	\$ 139,276,258	52.75%	\$ 17,239,604	\$ 264,018,050
Feb-18	\$ 13,060,703	15.61%	\$ 558,072	0.66%	\$ 54,221,346	64.85%	\$ 15,781,298	\$ 83,621,419
Total	\$ 318,932,693	24.64%	\$ 76,774,537	5.93%	\$ 697,677,153	53.90%	\$ 201,088,562	\$ 1,294,472,945

Office of Regulatory Staff
Cost of Fuel
Duke Energy Progress, LLC
For Year Ending February 2018
Docket No. 2018-1-E

<u>Month</u>	<u>Cost of Fuel Burned</u>	<u>Fuel Cost of Purchased and Interchange Power</u>	<u>Fuel Cost Recovered from Intersystem Sales</u>	<u>Total Fuel Costs</u>
Mar-17	\$ 94,917,274	\$ 38,739,130	\$ (7,384,809)	\$ 126,271,595
Apr-17	\$ 78,201,175	\$ 35,166,922	\$ (6,120,816)	\$ 107,247,281
May-17	\$ 78,549,296	\$ 29,345,794	\$ (7,819,959)	\$ 100,075,131
Jun-17	\$ 104,663,213	\$ 33,926,454	\$ (7,261,277)	\$ 131,328,390
Jul-17	\$ 118,366,687	\$ 32,888,613	\$ (9,576,684)	\$ 141,678,616
Aug-17	\$ 109,527,869	\$ 34,863,883	\$ (11,346,434)	\$ 133,045,318
Sep-17	\$ 86,971,548	\$ 28,997,122	\$ (17,377,847)	\$ 98,590,823
Oct-17	\$ 74,795,114	\$ 30,934,918	\$ (15,163,674)	\$ 90,566,358
Nov-17	\$ 81,658,644	\$ 25,263,247	\$ (17,925,851)	\$ 88,996,040
Dec-17	\$ 119,182,656	\$ 26,489,401	\$ (19,973,203)	\$ 125,698,854
Jan-18	\$ 264,018,050	\$ 74,453,422	\$ (31,345,506)	\$ 307,125,966
Feb-18	\$ 83,621,419	\$ 29,823,033	\$ (15,155,771)	\$ 98,288,681
Total	\$ 1,294,472,945	\$ 420,891,939	\$ (166,451,831)	\$ 1,548,913,053

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Base Fuel
Duke Energy Progress, LLC
March 2017 - June 2018
Docket No. 2018-1-E

	Actual							
	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017
Fossil Fuel	\$ 83,428,744	\$ 64,844,612	\$ 60,374,757	\$ 87,020,563	\$ 100,018,853	\$ 91,247,892	\$ 69,354,099	\$ 57,413,764
Nuclear Fuel	\$ 11,488,530	\$ 13,356,563	\$ 18,174,539	\$ 17,642,650	\$ 18,347,834	\$ 18,279,977	\$ 17,617,449	\$ 17,381,350
Purchased & Interchange Power	\$ 38,739,130	\$ 35,166,922	\$ 29,345,794	\$ 33,926,454	\$ 32,888,613	\$ 34,863,883	\$ 28,997,122	\$ 30,934,918
Total Cost of Fuel Burned	\$ 133,656,404	\$ 113,368,097	\$ 107,895,090	\$ 138,589,667	\$ 151,255,300	\$ 144,391,752	\$ 115,968,670	\$ 105,730,032
Less: Fuel Cost Recovered from Intersystem Sales	\$ 7,384,809	\$ 6,120,816	\$ 7,819,959	\$ 7,261,277	\$ 9,576,684	\$ 11,346,434	\$ 17,377,847	\$ 15,163,674
Total Fuel Costs	\$ 126,271,595	\$ 107,247,281	\$ 100,075,131	\$ 131,328,390	\$ 141,678,616	\$ 133,045,318	\$ 98,590,823	\$ 90,566,358
Add: Avoided Fuel Benefit of SC NEM	\$ 5,264	\$ 3,833	\$ 5,485	\$ 10,277	\$ 8,695	\$ 11,166	\$ 16,796	\$ 14,843
Adjusted System Fuel Costs	\$ 126,276,859	\$ 107,251,114	\$ 100,080,616	\$ 131,338,667	\$ 141,687,311	\$ 133,056,484	\$ 98,607,619	\$ 90,581,201
Total System kWh Sales	4,643,396,027	4,187,641,398	4,764,300,151	5,213,164,766	6,176,683,274	5,920,108,580	5,356,417,019	4,845,522,788
Add: NEM Solar Generation kWh	160,035	116,492	166,722	312,451	271,494	348,667	524,433	463,456
Adjusted System kWh Sales	4,643,556,062	4,187,757,890	4,764,466,873	5,213,477,217	6,176,954,768	5,920,457,247	5,356,941,452	4,845,986,244
Fuel Costs per kWh Sales	\$ 0.027194	\$ 0.025611	\$ 0.021006	\$ 0.025192	\$ 0.022938	\$ 0.022474	\$ 0.018407	\$ 0.018692
S.C. Retail kWh Sales	435,846,198	447,290,514	534,032,128	491,673,707	640,080,861	574,170,055	530,741,577	555,006,997
Add: NEM Solar Generation kWh	160,035	116,492	166,722	312,451	271,494	348,667	524,433	463,456
Adjusted S.C. Retail kWh Sales	436,006,233	447,407,006	534,198,850	491,986,158	640,352,355	574,518,722	531,266,010	555,470,453
S.C. Base Fuel Costs	\$ 11,856,753	\$ 11,458,375	\$ 11,221,182	\$ 12,394,186	\$ 14,688,436	\$ 12,911,746	\$ 9,779,251	\$ 10,382,856
Less: Avoided Fuel Benefit of S.C. NEM	\$ 5,264	\$ 3,833	\$ 5,485	\$ 10,277	\$ 8,695	\$ 11,166	\$ 16,796	\$ 14,843
Adjusted S.C. Base Fuel Costs	\$ 11,851,489	\$ 11,454,542	\$ 11,215,697	\$ 12,383,909	\$ 14,679,741	\$ 12,900,580	\$ 9,762,455	\$ 10,368,013
S.C. Retail Fuel Costs Collected	\$ 9,716,239	\$ 9,969,704	\$ 11,902,564	\$ 10,958,616	\$ 14,145,957	\$ 12,689,444	\$ 11,729,326	\$ 12,265,213
Less: Fuel Benefits in DERP NEM Incentive	\$ 1,255	\$ 908	\$ 1,303	\$ 2,465	\$ 2,316	\$ 2,927	\$ 4,682	\$ 4,047
Adjusted S.C. Retail Costs Collected	\$ 9,714,984	\$ 9,968,796	\$ 11,901,261	\$ 10,956,151	\$ 14,143,641	\$ 12,686,517	\$ 11,724,644	\$ 12,261,166
Current Month (Over)/Under Recovery Amount	\$ 2,136,505	\$ 1,485,746	\$ (685,564)	\$ 1,427,758	\$ 536,100	\$ 214,063	\$ (1,962,189)	\$ (1,893,153)
Cumulative (Over)/Under-Recovery-Prior Month Amount	\$ 6,872,181	\$ 9,008,686	\$ 10,494,432	\$ 9,808,868	\$ 11,236,626	\$ 11,772,726	\$ 11,986,789	\$ 10,024,600
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ 9,008,686	\$ 10,494,432	\$ 9,808,868	\$ 11,236,626	\$ 11,772,726	\$ 11,986,789	\$ 10,024,600	\$ 8,131,447

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Base Fuel
Duke Energy Progress, LLC
March 2017 - June 2018
Docket No. 2018-1-E

	Actual				Estimated			
	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018
Fossil Fuel	\$ 64,011,056	\$ 101,051,476	\$ 246,778,446	\$ 67,840,121	\$ 68,285,141	\$ 42,806,239	\$ 47,309,947	\$ 66,926,867
Nuclear Fuel	\$ 17,647,588	\$ 18,131,180	\$ 17,239,604	\$ 15,781,298	\$ 13,884,551	\$ 12,766,341	\$ 15,582,286	\$ 17,100,975
Purchased & Interchange Power	\$ 25,263,247	\$ 26,489,401	\$ 74,453,422	\$ 29,823,033	\$ 32,456,208	\$ 42,762,702	\$ 39,631,710	\$ 38,857,191
Total Cost of Fuel Burned	\$ 106,921,891	\$ 145,672,057	\$ 338,471,472	\$ 113,444,452	\$ 114,625,900	\$ 98,335,282	\$ 102,523,943	\$ 122,885,033
Less: Fuel Cost Recovered from Intersystem Sales	\$ 17,925,851	\$ 19,973,203	\$ 31,345,506	\$ 15,155,771	\$ 8,046,009	\$ 1,985,118	\$ 6,152,728	\$ 7,773,284
Total Fuel Costs	\$ 88,996,040	\$ 125,698,854	\$ 307,125,966	\$ 98,288,681	\$ 106,579,891	\$ 96,350,164	\$ 96,371,215	\$ 115,111,749
Add: Avoided Fuel Benefit of SC NEM	\$ 22,759	\$ 28,232	\$ 24,054	\$ 23,500	\$ 33,455	\$ 37,340	\$ 40,152	\$ 43,238
Adjusted System Fuel Costs	\$ 89,018,799	\$ 125,727,086	\$ 307,150,020	\$ 98,312,181	\$ 106,613,346	\$ 96,387,504	\$ 96,411,367	\$ 115,154,987
Total System kWh Sales	4,495,679,608	5,030,865,635	6,789,103,851	5,019,700,923	4,653,962,859	4,508,800,151	4,560,908,805	5,344,565,169
Add: NEM Solar Generation kWh	710,617	881,482	751,073	733,769	1,044,569	1,166,155	1,253,974	1,350,340
Adjusted System kWh Sales	4,496,390,225	5,031,747,117	6,789,854,924	5,020,434,692	4,655,007,428	4,509,966,306	4,562,162,779	5,345,915,509
Fuel Costs per kWh Sales	\$ 0.019798	\$ 0.024987	\$ 0.045237	\$ 0.019582	\$ 0.022903	\$ 0.021372	\$ 0.021133	\$ 0.021541
S.C. Retail kWh Sales	472,674,530	438,867,713	711,128,280	546,522,278	411,013,563	510,104,190	500,130,869	552,817,186
Add: NEM Solar Generation kWh	710,617	881,482	751,073	733,769	1,044,569	1,166,155	1,253,974	1,350,340
Adjusted S.C. Retail kWh Sales	473,385,147	439,749,195	711,879,353	547,256,047	412,058,132	511,270,345	501,384,843	554,167,526
S.C. Base Fuel Costs	\$ 9,372,002	\$ 10,987,910	\$ 32,203,009	\$ 10,716,589	\$ 9,437,342	\$ 10,926,927	\$ 10,595,676	\$ 11,937,180
Less: Avoided Fuel Benefit of S.C. NEM	\$ 22,759	\$ 28,232	\$ 24,054	\$ 23,500	\$ 33,455	\$ 37,340	\$ 40,152	\$ 43,238
Adjusted S.C. Base Fuel Costs	\$ 9,349,243	\$ 10,959,678	\$ 32,178,955	\$ 10,693,089	\$ 9,403,887	\$ 10,889,587	\$ 10,555,524	\$ 11,893,942
S.C. Retail Fuel Costs Collected	\$ 10,447,029	\$ 9,701,097	\$ 15,719,471	\$ 12,080,535	\$ 9,084,719	\$ 11,273,303	\$ 11,052,892	\$ 12,217,260
Less: Fuel Benefits in DERP NEM Incentive	\$ 6,337	\$ 8,009	\$ 6,688	\$ 6,556	\$ 9,511	\$ 9,285	\$ 9,982	\$ 10,747
Adjusted S.C. Retail Costs Collected	\$ 10,440,692	\$ 9,693,088	\$ 15,712,783	\$ 12,073,979	\$ 9,075,208	\$ 11,264,018	\$ 11,042,910	\$ 12,206,513
Current Month (Over)/Under Recovery Amount	\$ (1,091,449)	\$ 1,266,590	\$ 16,466,172	\$ (1,380,890)	\$ 328,679	\$ (374,431)	\$ (487,386)	\$ (312,571)
Cumulative (Over)/Under-Recovery-Prior Month Amount	\$ 8,131,447	\$ 7,039,998	\$ 8,306,588	\$ 24,772,760	\$ 23,394,223	\$ 23,722,902	\$ 23,348,471	\$ 22,861,085
Company Accounting Adjustments	\$ -	\$ -	\$ -	(A)	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ 7,039,998	\$ 8,306,588	\$ 24,772,760	\$ 23,394,223	\$ 23,722,902	\$ 23,348,471	\$ 22,861,085	\$ 22,548,514

*Explanation of Adjustment (A) is included in the testimony of Anthony Briseno.

	February 2018	June 2018
Cumulative (Over)/Under-Recovery of the Base Fuel Costs (Audit Exhibit ADB-5)	\$ 23,394,223	\$ 22,548,514
Cumulative (Over)/Under-Recovery of Environmental Costs (Audit Exhibit ADB-7)	\$ (616,503)	\$ (775,308)
Cumulative (Over)/Under-Recovery of Capacity Costs (Audit Exhibit ADB-8)	\$ 1,622,069	\$ 2,321,255
Cumulative (Over)/Under-Recovery of DERP Incremental Costs (Audit Exhibit ADB-9)	\$ (448,553)	\$ (744,006)
Cumulative (Over)/Under-Recovery of DERP Avoided Costs (Audit Exhibit ADB-10)	\$ 2,715	\$ 25,676
Net Cumulative (Over)/Under-Recovery Balance	\$ 23,953,951	\$ 23,376,131

Office of Regulatory Staff
Total Environmental Costs
Duke Energy Progress, LLC
For Year Ending February 2018
Docket No. 2018-1-E

<u>Month</u>	<u>Magnesium Hydroxide and Calcium Carbonate</u>	<u>Emission Allowances</u>	<u>Ammonia and Urea</u>	<u>Lime/Limestone</u>	<u>MerControl 8034 Plus</u>	<u>Total Environmental Costs</u>
Mar-17	\$ 170,952	\$ (9,156)	\$ 287,703	\$ 664,963	\$ (1,659)	\$ 1,112,803
Apr-17	\$ 105,846	\$ 3,307	\$ 60,309	\$ 387,570	\$ -	\$ 557,032
May-17	\$ 106,286	\$ 1,296	\$ 238,039	\$ 344,076	\$ 43,832	\$ 733,529
Jun-17	\$ 219,098	\$ (176,970)	\$ 234,215	\$ 869,176	\$ 20,417	\$ 1,165,936
Jul-17	\$ 307,514	\$ 2,214	\$ 365,780	\$ 1,430,068	\$ 20,216	\$ 2,125,792
Aug-17	\$ 442,829	\$ 5,041	\$ 309,666	\$ 1,453,400	\$ 20,216	\$ 2,231,152
Sep-17	\$ 238,404	\$ 4,511	\$ 151,199	\$ 825,110	\$ -	\$ 1,219,224
Oct-17	\$ 165,156	\$ (7,931)	\$ 74,421	\$ 508,565	\$ 35,383	\$ 775,594
Nov-17	\$ 73,941	\$ 1,683	\$ 92,260	\$ 406,881	\$ -	\$ 574,765
Dec-17	\$ 258,023	\$ (18,076)	\$ 415,548	\$ 893,229	\$ -	\$ 1,548,724
Jan-18	\$ 469,018	\$ 2,739	\$ 574,525	\$ 1,326,591	\$ -	\$ 2,372,873
Feb-18	\$ 103,697	\$ (66,696)	\$ 187,832	\$ 407,029	\$ 86,677	\$ 718,539
Totals	\$ 2,660,764	\$ (258,038)	\$ 2,991,497	\$ 9,516,658	\$ 225,082	\$ 15,135,963
	17.58%	-1.70%	19.76%	62.87%	1.49%	

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Environmental Costs
Duke Energy Progress, LLC
March 2017 - June 2018
Docket No. 2018-1-E

	Actual							
	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017
Magnesium Hydroxide and Calcium Carbonate	\$ 170,952	\$ 105,846	\$ 106,286	\$ 219,098	\$ 307,514	\$ 442,829	\$ 238,404	\$ 165,156
Emission Allowances	\$ (9,156)	\$ 3,307	\$ 1,296	\$ (176,970)	\$ 2,214	\$ 5,041	\$ 4,511	\$ (7,931)
Ammonia and Urea	\$ 287,703	\$ 60,309	\$ 238,039	\$ 234,215	\$ 365,780	\$ 309,666	\$ 151,199	\$ 74,421
Lime/Limestone	\$ 664,963	\$ 387,570	\$ 344,076	\$ 869,176	\$ 1,430,068	\$ 1,453,400	\$ 825,110	\$ 508,565
MerControl 8034 Plus	\$ (1,659)	\$ -	\$ 43,832	\$ 20,417	\$ 20,216	\$ 20,216	\$ -	\$ 35,383
Sub-Total	\$ 1,112,803	\$ 557,032	\$ 733,529	\$ 1,165,936	\$ 2,125,792	\$ 2,231,152	\$ 1,219,224	\$ 775,594
Off-System Sales	\$ (96,097)	\$ (105,473)	\$ (115,469)	\$ (33,154)	\$ (23,902)	\$ (246,958)	\$ (373,126)	\$ (92,331)
Net Environmental Costs	\$ 1,016,706	\$ 451,559	\$ 618,060	\$ 1,132,782	\$ 2,101,890	\$ 1,984,194	\$ 846,098	\$ 683,263
S.C. Retail kWh Sales	\$ 435,846,198	\$ 447,290,514	\$ 534,032,128	\$ 491,673,707	\$ 640,080,861	\$ 574,170,055	\$ 530,741,577	\$ 555,006,997
Total System kWh Sales Excluding Off-System Sales	\$ 4,643,396,027	\$ 4,187,641,398	\$ 4,764,300,151	\$ 5,213,164,766	\$ 6,176,683,274	\$ 5,920,108,580	\$ 5,356,417,019	\$ 4,845,522,788
S.C. Allocation Factor	9.39%	10.68%	11.21%	9.43%	10.36%	9.70%	9.91%	11.45%
S.C. Retail Basis of Total Environmental Costs	\$ 95,432	\$ 48,232	\$ 69,279	\$ 106,837	\$ 217,816	\$ 192,440	\$ 83,836	\$ 78,261
Amounts Billed to Retail Customers	\$ 110,911	\$ 97,615	\$ 104,985	\$ 117,694	\$ 127,522	\$ 123,578	\$ 120,173	\$ 106,596
Current Month (Over)/Under-Recovery	\$ (15,479)	\$ (49,383)	\$ (35,706)	\$ (10,857)	\$ 90,294	\$ 68,862	\$ (36,337)	\$ (28,335)
Cumulative (Over)/Under-Recovery-Prior Month	\$ (618,034)	\$ (633,513)	\$ (682,896)	\$ (718,602)	\$ (729,459)	\$ (639,165)	\$ (570,303)	\$ (606,640)
Cumulative (Over)/Under-Recovery	\$ (633,513)	\$ (682,896)	\$ (718,602)	\$ (729,459)	\$ (639,165)	\$ (570,303)	\$ (606,640)	\$ (634,975)

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Environmental Costs
Duke Energy Progress, LLC
March 2017 - June 2018
Docket No. 2018-1-E

	Actual			Estimated				
	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018
Magnesium Hydroxide and Calcium Carbonate	\$ 73,941	\$ 258,023	\$ 469,018	\$ 103,697	\$ 134,546	\$ 124,573	\$ 77,830	\$ 293,950
Emission Allowances	\$ 1,683	\$ (18,076)	\$ 2,739	\$ (66,696)	\$ 833	\$ 680	\$ 564	\$ 1,790
Ammonia and Urea	\$ 92,260	\$ 415,548	\$ 574,525	\$ 187,832	\$ 156,430	\$ 91,558	\$ 55,961	\$ 182,954
Lime/Limestone	\$ 406,881	\$ 893,229	\$ 1,326,591	\$ 407,029	\$ 496,607	\$ 332,235	\$ 212,781	\$ 666,217
MerControl 8034 Plus	\$ -	\$ -	\$ -	\$ 86,677	\$ -	\$ -	\$ -	\$ -
Sub-Total	\$ 574,765	\$ 1,548,724	\$ 2,372,873	\$ 718,539	\$ 788,416	\$ 549,046	\$ 347,136	\$ 1,144,911
Off-System Sales	\$ (29,106)	\$ (44,775)	\$ (19,836)	\$ (34,731)	\$ (10,052)	\$ -	\$ (2,048)	\$ (3,613)
Net Environmental Costs	\$ 545,659	\$ 1,503,949	\$ 2,353,037	\$ 683,808	\$ 778,364	\$ 549,046	\$ 345,088	\$ 1,141,298
S.C. Retail kWh Sales	\$ 472,674,530	\$ 438,867,713	\$ 711,128,280	\$ 546,522,278	\$ 411,013,563	\$ 510,104,190	\$ 500,130,869	\$ 552,817,186
Total System kWh Sales Excluding Off-System Sales	\$ 4,495,679,608	\$ 5,030,865,635	\$ 6,789,103,851	\$ 5,019,700,923	\$ 4,653,962,859	\$ 4,508,800,151	\$ 4,560,908,805	\$ 5,344,565,169
S.C. Allocation Factor	10.51%	8.72%	10.47%	10.89%	8.83%	11.31%	10.97%	10.34%
S.C. Retail Basis of Total Environmental Costs	\$ 57,370	\$ 131,197	\$ 246,470	\$ 74,450	\$ 68,741	\$ 62,116	\$ 37,841	\$ 118,051
Amounts Billed to Retail Customers	\$ 98,317	\$ 108,593	\$ 158,571	\$ 125,534	\$ 100,634	\$ 114,209	\$ 103,635	\$ 127,076
Current Month (Over)/Under-Recovery Amount	\$ (40,947)	\$ 22,604	\$ 87,899	\$ (51,084)	\$ (31,893)	\$ (52,093)	\$ (65,794)	\$ (9,025)
Cumulative (Over)/Under-Recovery-Prior Month Amount	\$ (634,975)	\$ (675,922)	\$ (653,318)	\$ (565,419)	\$ (616,503)	\$ (648,396)	\$ (700,489)	\$ (766,283)
Cumulative (Over)/Under-Recovery	\$ (675,922)	\$ (653,318)	\$ (565,419)	\$ (616,503)	\$ (648,396)	\$ (700,489)	\$ (766,283)	\$ (775,308)

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Capacity Costs
Duke Energy Progress, LLC
March 2017 - June 2018
Docket No. 2018-1-E

	Actual							
	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017
PURPA Purchased Power Capacity Costs	\$ 4,466,707	\$ 4,643,614	\$ 4,370,510	\$ 8,198,063	\$ 7,651,932	\$ 7,841,805	\$ 6,928,942	\$ 5,334,274
Natural Gas Capacity Costs	\$ -	\$ -	\$ -	\$ -	\$ 11,530,068	\$ 11,880,797	\$ 11,526,501	\$ 11,368,834
Total Costs for the current month	\$ 4,466,707	\$ 4,643,614	\$ 4,370,510	\$ 8,198,063	\$ 19,182,000	\$ 19,722,602	\$ 18,455,443	\$ 16,703,108
S.C. Retail kWh Sales	435,846,198	447,290,514	534,032,128	491,673,707	640,080,861	574,170,955	536,741,577	555,006,997
Total System kWh Sales Excluding Off-System Sales	4,643,396,027	4,187,641,398	4,764,300,151	5,213,164,766	6,176,683,274	5,920,108,580	5,356,417,019	4,845,522,788
S.C. Allocation Factor	9.39%	10.68%	11.21%	9.43%	10.36%	9.70%	9.91%	11.45%
S.C. Share of Capacity Costs	\$ 419,262	\$ 495,994	\$ 489,892	\$ 773,191	\$ 1,987,804	\$ 1,912,824	\$ 1,828,661	\$ 1,913,177
Amount Billed to Retail Customers	\$ 505,852	\$ 447,408	\$ 481,311	\$ 543,958	\$ 1,751,303	\$ 1,697,693	\$ 1,651,983	\$ 1,464,026
(Over)/Under-Recovery	\$ (86,590)	\$ 48,586	\$ 8,581	\$ 229,233	\$ 236,501	\$ 215,131	\$ 176,678	\$ 449,151
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ 893,261	\$ 806,671	\$ 855,257	\$ 863,838	\$ 1,093,071	\$ 1,329,572	\$ 1,544,703	\$ 1,721,381
Cumulative (Over)/Under-Recovery	\$ 806,671	\$ 855,257	\$ 863,838	\$ 1,093,071	\$ 1,329,572	\$ 1,544,703	\$ 1,721,381	\$ 2,170,532

	Actual				Estimated			
	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018
PURPA Purchased Power Capacity Costs	\$ 3,517,629	\$ 3,901,444	\$ 2,569,809	\$ 4,995,847	\$ 3,501,027	\$ 6,134,712	\$ 6,242,325	\$ 6,319,797
Natural Gas Capacity Costs	\$ 11,123,697	\$ 11,895,757	\$ 11,484,861	\$ 11,576,524	\$ 11,019,595	\$ 10,408,951	\$ 10,790,135	\$ 11,010,143
Total Costs for the current month	\$ 14,641,326	\$ 15,797,201	\$ 14,054,670	\$ 16,572,371	\$ 14,520,622	\$ 16,542,763	\$ 17,032,460	\$ 17,329,940
S.C. Retail kWh Sales	472,674,530	438,867,713	711,128,280	546,522,278	411,013,563	510,104,190	500,130,869	552,817,186
Total System kWh Sales Excluding Off-System Sales	4,495,679,608	5,030,865,635	6,789,103,851	5,019,700,923	4,653,962,859	4,508,800,151	4,560,908,805	5,344,565,169
S.C. Allocation Factor	10.51%	8.72%	10.47%	10.89%	8.83%	11.31%	10.97%	10.34%
S.C. Share of Capacity Costs	\$ 1,539,385	\$ 1,378,069	\$ 1,472,163	\$ 1,804,325	\$ 1,282,384	\$ 1,871,569	\$ 1,867,711	\$ 1,792,529
Amount Billed to Retail Customers	\$ 1,350,423	\$ 1,497,752	\$ 2,173,550	\$ 1,720,680	\$ 1,380,924	\$ 1,567,305	\$ 1,423,424	\$ 1,743,354
(Over)/Under-Recovery	\$ 188,962	\$ (119,683)	\$ (701,387)	\$ 83,645	\$ (98,540)	\$ 304,264	\$ 444,287	\$ 49,175
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ 2,170,532	\$ 2,359,494	\$ 2,239,811	\$ 1,538,424	\$ 1,622,069	\$ 1,523,529	\$ 1,827,793	\$ 2,272,080
Cumulative (Over)/Under-Recovery	\$ 2,359,494	\$ 2,239,811	\$ 1,538,424	\$ 1,622,069	\$ 1,523,529	\$ 1,827,793	\$ 2,272,080	\$ 2,321,255

Office of Regulatory Staff
 Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Incremental Costs
 Duke Energy Progress, LLC
 March 2017 - June 2018
 Docket No. 2018-1-E

	Actual									
	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017		
Purchased Power Agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
NEM* Incentive	\$ 6,208	\$ 5,119	\$ 6,935	\$ 8,831	\$ 8,712	\$ 11,998	\$ 12,567	\$ -		
Solar Rebate Program	\$ 6,259	\$ 7,654	\$ 19,908	\$ 26,557	\$ 31,404	\$ 33,452	\$ 38,768	\$ 13,278		
Shared Solar Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,005		
Carrying Costs on Deferred Amounts	\$ 5,725	\$ 6,689	\$ 13,171	\$ 22,792	\$ 28,152	\$ 31,384	\$ 34,837	\$ -		
NEM Avoided Capacity	\$ 167	\$ 121	\$ 173	\$ 326	\$ 358	\$ 460	\$ 692	\$ 37,696		
NEM Meter Costs	\$ 1,214	\$ 1,157	\$ 1,461	\$ 1,733	\$ 1,707	\$ 2,347	\$ 2,084	\$ 611		
General and Administrative Expenses	\$ 48,245	\$ 70,285	\$ 69,249	\$ 95,440	\$ 50,589	\$ 48,729	\$ 68,679	\$ 2,406		
Interest on under-collection due to cap	\$ -	\$ 3	\$ 8	\$ 28	\$ -	\$ -	\$ 10	\$ 33,885		
Total Incremental Costs	\$ 67,818	\$ 91,028	\$ 110,905	\$ 155,707	\$ 120,922	\$ 128,370	\$ 157,637	\$ -		
Revenue Collected	\$ 87,351	\$ 82,818	\$ 91,377	\$ 94,403	\$ 256,592	\$ 257,352	\$ 254,025	\$ 126,881		
(Over)/Under Recovery	\$ (19,533)	\$ 8,210	\$ 19,528	\$ 61,304	\$ (135,670)	\$ (128,982)	\$ (96,388)	\$ 270,804		
Cumulative (Over)/Under Recovery-										
Prior Month	\$ 391,293	\$ 371,760	\$ 379,970	\$ 399,498	\$ 460,802	\$ 325,132	\$ 196,150	\$ (143,923)		
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,762		
Cumulative (Over)/Under Recovery	\$ 371,760	\$ 379,970	\$ 399,498	\$ 460,802	\$ 325,132	\$ 196,150	\$ 99,762	\$ (44,161)		

	Actual					Estimated				
	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018		
Purchased Power Agreements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
NEM* Incentive	\$ 18,795	\$ 20,680	\$ 20,221	\$ 19,467	\$ 24,186	\$ 28,143	\$ 30,349	\$ 32,768		
Solar Rebate Program	\$ 39,691	\$ 40,830	\$ 41,017	\$ 49,758	\$ 50,020	\$ 52,830	\$ 55,640	\$ 58,450		
Shared Solar Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Carrying Costs on Deferred Amounts	\$ 37,940	\$ 38,630	\$ 39,064	\$ 41,483	\$ 48,869	\$ 50,159	\$ 52,739	\$ 55,303		
NEM Avoided Capacity	\$ 938	\$ 1,164	\$ 940	\$ 918	\$ 1,307	\$ 1,280	\$ 1,363	\$ 1,445		
NEM Meter Costs	\$ 2,937	\$ 2,843	\$ 3,143	\$ 2,979	\$ 3,320	\$ 3,522	\$ 3,662	\$ 3,801		
General and Administrative Expenses	\$ 16,747	\$ 31,246	\$ 31,424	\$ 30,540	\$ 35,802	\$ 42,031	\$ 42,031	\$ 42,031		
Interest on under-collection due to cap	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total Incremental Costs	\$ 117,048	\$ 135,397	\$ 135,809	\$ 145,145	\$ 163,504	\$ 177,965	\$ 185,784	\$ 193,798		
Revenue Collected	\$ 256,768	\$ 243,445	\$ 257,516	\$ 255,877	\$ 256,291	\$ 253,219	\$ 253,395	\$ 253,599		
(Over)/Under Recovery	\$ (139,720)	\$ (108,048)	\$ (121,707)	\$ (110,732)	\$ (92,787)	\$ (75,254)	\$ (67,611)	\$ (59,801)		
Cumulative (Over)/Under Recovery-										
Prior Month	\$ (44,161)	\$ (183,881)	\$ (291,929)	\$ (412,505)	\$ (448,553)	\$ (541,340)	\$ (616,594)	\$ (684,205)		
Company Accounting Adjustments	\$ -	\$ -	\$ (B) \$ 1,131	\$ 74,684	\$ -	\$ -	\$ -	\$ -		
Cumulative (Over)/Under Recovery	\$ (183,881)	\$ (291,929)	\$ (412,505)	\$ (448,553)	\$ (541,340)	\$ (616,594)	\$ (684,205)	\$ (744,006)		

* Net Energy Metering

Explanations of Adjustments (B) and (C) are included in testimony of Anthony Briseno.

Office of Regulatory Staff
 Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Avoided Costs
 Duke Energy Progress, LLC
 March 2017 - June 2018
 Docket No. 2018-1-E

	Actual							
	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017
Purchase Power Agreements	\$ -	\$ -	\$ -	\$ 2,673	\$ -	\$ -	\$ -	\$ -
Shared Solar Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Avoided Costs	\$ -	\$ -	\$ -	\$ 2,673	\$ -	\$ -	\$ -	\$ -
S.C. Retail kWh Sales	435,846,198	447,290,514	534,032,128	491,673,707	640,080,861	574,170,055	530,741,577	555,006,997
Total System kWh Sales Excluding Off-System Sales	4,643,396,027	4,187,641,398	4,764,300,151	5,213,164,766	6,176,683,274	5,920,108,580	5,356,417,019	4,845,522,788
S.C. Allocation Factor	9.39%	10.68%	11.21%	9.43%	10.36%	9.70%	9.91%	11.45%
S.C. Share of Avoided Costs	\$ -	\$ -	\$ -	\$ 252	\$ -	\$ -	\$ -	\$ -
Amount Billed to Retail Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Month (Over)/Under-Recovery Amount	\$ -	\$ -	\$ -	\$ 252	\$ -	\$ -	\$ -	\$ -
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ -	\$ -	\$ -	\$ -	\$ 252	\$ 252	\$ 252	\$ 252
Cumulative (Over)/Under-Recovery	\$ -	\$ -	\$ -	\$ 252	\$ 252	\$ 252	\$ 252	\$ 252

	Actual				Estimated			
	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018
Purchase Power Agreements	\$ -	\$ -	\$ 1,595	\$ 21,086	\$ 48,912	\$ 56,101	\$ 59,195	\$ 56,101
Shared Solar Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Avoided Costs	\$ -	\$ -	\$ 1,595	\$ 21,086	\$ 48,912	\$ 56,101	\$ 59,195	\$ 56,101
S.C. Retail kWh Sales	472,674,530	438,867,713	711,128,280	546,522,278	411,013,563	510,104,190	500,130,869	552,817,186
Total System kWh Sales Excluding Off-System Sales	4,495,679,608	5,030,865,635	6,789,103,851	5,019,700,923	4,653,962,859	4,508,800,151	4,560,908,805	5,344,565,169
S.C. Allocation Factor	10.51%	8.72%	10.47%	10.89%	8.83%	11.31%	10.97%	10.34%
S.C. Share of Avoided Costs	\$ -	\$ -	\$ 167	\$ 2,296	\$ 4,320	\$ 6,347	\$ 6,491	\$ 5,803
Amount Billed to Retail Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Month (Over)/Under-Recovery Amount	\$ -	\$ -	\$ 167	\$ 2,296	\$ 4,320	\$ 6,347	\$ 6,491	\$ 5,803
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ 252	\$ 252	\$ 252	\$ 419	\$ 2,715	\$ 7,035	\$ 13,382	\$ 19,873
Cumulative (Over)/Under-Recovery	\$ 252	\$ 252	\$ 419	\$ 2,715	\$ 7,035	\$ 13,382	\$ 19,873	\$ 25,676